

Keeping an Eye on Tax Matters

Employer ALERT!

The department has found that income tax withheld from employees, by employers, is being paid incorrectly to us. **Avoid late payment penalties by making payments as required.** When an employer pays employees, the total income tax withheld "accumulates" until it is paid to us. When the accumulated amount reaches \$500 and \$1,000 within specific time frames, a payment is due. See Booklet IL-700, Illinois Payroll/Withholding Income Tax Returns and Instructions, on our web site for details.

Electronic Federal Tax Payment System (EFTPS)

We are partnering with the IRS to provide employers with a secure payment option to pay both federal tax liabilities and Illinois withholding tax using the Internet. *EFTPS Online* is a tax payment system provided by the U.S. Department of Treasury and it's **FREE**. You can make payments weekly, monthly, or quarterly, and schedule payments in advance. Current *EFTPS Online* users will need to modify their enrollment to allow for Illinois payments. New users are able to simultaneously enroll for both Illinois withholding tax payments and federal tax payments. The target date for this program is January 2007. Visit our web site and www.eftps.gov for future announcements.

ERO's application requirement eliminated

Beginning this fall, Electronic Return Originators (EROs) are no longer required to submit a separate Illinois enrollment application for authorization to file Individual Income Tax Returns electronically. Internal Revenue Service (IRS) e-File providers with an approved electronic filer identification number (EFIN) will now be automatically enrolled in the Illinois program. We will no longer mail letters to EROs advising them they have been accepted into the Illinois program. New software developers and direct transmitters still will need to submit Form IL-8633-I, Application to File Illinois Individual Income Tax Returns Electronically. We provide all of the information you need to file and pay electronically on our web site at tax.illinois.gov.

This is one more step toward our "paperless" goal!

Payment warehousing

Encourage your clients who owe tax to pay electronically and warehouse their payments. This means you can enter their banking information when they file electronically and the transaction will be made the day you have directed.

Another great year!

We have received over **2.5 million** electronically filed individual income tax returns so far this season. It's been a fantastic year — 47 percent of taxpayers are now filing their IL-1040 the electronic way! We sincerely appreciate all of the support from our tax professional community.

Electronic filing of taxes

Are you using commercial tax preparation software to file

- Form ST-1, Sales and Use Tax Return, or
- Form RT-2, Telecommunications Tax Return,

AND the software does not provide an electronic filing option? If so, contact your software provider and request they add this feature.

Get fast answers and quick resolution of electronic filing problems!

1 866 440-8680 (8 a.m. to 5 p.m.)

eConnection@revenue.state.il.us

tax.illinois.gov

ZMODEM to be discontinued

We are discontinuing ZMODEM starting January 1, 2008. We support file transmissions by HTTPS file transmission protocol. Files are transferred to and from our gateway server via the Internet using Secure Socket Layer (SSL) technology. See the IL-1345, Electronic Return Procedures for Tax Year 2006 for more information.

Simplified online business registration

The department has simplified the business registration process at **tax.illinois.gov** making it easier for businesses to register online. *Please try this new simplified process to register your clients!*

2006 IL-1040 Changes

Below are 2006 IL-1040 changes to date.

- The Professional Athlete box that was located on the 2005 IL-1040, Individual Income Tax Return, Step 1 has been removed.
- 2006 Illinois income tax withheld from unemployment compensation may be claimed on 2006 Form IL-1040, Line 17.
- The title of Schedule M has been changed to Other Additions and Subtractions for Individuals. Also, contributions made to the "Bright Directions" College Savings Pool may now be subtracted on this schedule.
- River Edge Redevelopment Zones are now included in Enterprise Zone Dividend Subtractions and Enterprise Zone Investment Credits on the 2006 Schedule 1299-C, Income Tax Subtractions and Credits (for individuals). The River Edge Redevelopment Zone Deduction is a new credit effective for years ending on or after December 31, 2006.

Fed/State seminars

The department and the Internal Revenue Service will be conducting seminars once again this fall. Topics at these seminars include: Individual and Business e-File, electronic payment options, and e-Services. CPE credits will be available. There are nine locations scheduled this year throughout the state.

Northern Illinois locations:

Rolling Meadows	October 3
Chicago	October 12
University Park	October 20
Chicago	October 26

Seating is limited. Email ***TECDG@irs.gov** to register for the northern Illinois locations.

Southern Illinois locations:

Peoria	October 10
Springfield	October 11
Moline	October 17
Edwardsville	October 18
Carbondale	October 19

Seating is limited. Email **SBSE.SL.SPFLD@irs.gov** to register for the southern Illinois locations.

University of Illinois Tax Schools

The department's Electronic Commerce representatives will once again be attending the University of Illinois Tax Schools. To register for these schools visit **www.ace.uiuc.edu/TaxSchool/**. Stop by and visit our promotional table at the following locations:

Urbana	October 24 and October 25
Rock Falls, Jacksonville, and Effingham	October 31 and November 1
Tinley Park, Bloomington, and Collinsville	November 2 and November 3
Freeport, Springfield, and Moline	November 7 and November 8
Hoffman Estates, Utica, and Quincy	November 9 and November 10
Crystal Lake, Mt. Vernon, and Peoria	November 14, and November 15
DeKalb, Olney, and Collinsville	November 16 and November 17
Oakbrook Terrace, Lincolnshire, and Kankakee	November 20 and November 21
Chicago, Galesburg, and Fairview Heights	November 28 and November 29
Mundelein, Decatur, and Carlinville	November 30 and December 1
Macomb	December 4 and December 5
Rockford and Carbondale	December 5 and December 6
Peoria	December 6 and December 7
Des Plaines and Collinsville	December 7 and December 8



Make Life Less Taxing